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SUBJECT: Peasant Groups Growing Impatient with Colom
Administration

REF: REF A) 937; REF B) 442

¶1. (SBU) Summary: Guatemala's various peasant and indigenous groups are growing increasingly impatient with the Colom administration for what they believe has been its slow and inadequate response in addressing the needs of the rural poor, many of whom have been hit hard by the combined effects of the country's recent economic downturn, falling remittances, and a severe drought. The leaders of these groups are particularly frustrated with the government's failure to deliver on previous promises to provide debt relief. To show their displeasure and political muscle, protestors brought traffic in the capital to a standstill and effectively shut down the nation's highways twice in October. Such actions are likely to continue periodically throughout the country. End Summary.

¶2. (SBU) On October 27, up to 25,000 peasants and indigenous protesters erected roadblocks in at least a dozen locations throughout the country, in the process severely disrupting vehicle traffic along the nation's highways. The action was organized by the National Struggle Front (FNL), a labor and peasant group, and the Committee for Peasant Development (CODECA). On the same day in Guatemala City, members of a third peasant group, Plataforma Agraria (Agrarian Platform), occupied the headquarters building for the Fondo de Tierras (Land Fund), the government agency charged with helping the rural poor finance land purchases.

¶3. (SBU) According to protest organizers, the timing of the two actions on October 27 was coincidental. Neither were the October 27 demonstrations directly linked to those that occurred on October 12, when protestors brought traffic in large parts of Guatemala City to a standstill. These earlier protests had been organized by several different leftist groups, including the National Coordinator for the Indigenous and Peasant Peoples (CONIC) and the Committee for Peasant Unity (CUC) (Ref A). Nonetheless, many of the public demands of the October 27 protestors mirrored those articulated by the demonstrators on October 12, including:

- * providing land reform and debt relief for poor farmers;
- * nationalizing electrical power;
- * canceling various mining licenses;
- * restoring cuts made to the health and education budgets;
- * investigating recent violence against labor and peasant leaders.

¶4. (SBU) FNL coordinator Luis Lara (Ref B) confided to post Laboff that addressing food security in the countryside is at the top of his list of concerns. In this respect, FNL is demanding the Colom government authorize the release of a subsidy of 75 million quetzales (a little over USD 9 million) to help poor, small farmers

who have fallen into debt during the current economic downturn. Lara claims the funds are being held by the Fondo de Tierras and blames a lack of political will for its failure to distribute them. Lara, who also serves as Secretary General of the National Union of Health Workers, is insistent that the government reverse this year's cuts to the health and education budgets. In addition, he is adamant the government do something to lower utility costs for its poorer citizens, which he claims are being charged exorbitant fees by the Spanish electrical conglomerate, Union Fenosa.

15. (SBU) In a separate meeting with Laboff, Plataforma Agraria spokesman Israel Macario listed reactivating the rural economy at the top of his organization's list of demands. Macario claimed the Colom government has designed programs that benefit its political clients rather than the general population. If the government could allocate a Q90 million (USD 10.8 million) subsidy to fund a trans-metro bus system in the capital then surely it could provide a similar subsidy to help peasants get out of debt, he argued. Like Lara, Macario is very frustrated with the government's failure to disburse existing budgetary funds and to deliver on previous promises. Macario showed Laboff a July 30 agreement signed by Secretary of Peace Orlando Blanco, Minister of Agriculture Mario Aldana, and other government officials pledging, among other things, to provide the supporters of his organization with Q20 million (USD 2.4 million) in microloans. So far, the government has failed to deliver on any of the promises it made, Macario claimed.

16. (SBU) Enrique Torres, a long-time labor lawyer and President Colom's brother-in-law, told Laboff that the various protest groups have similar but not identical agendas and, in fact, compete with each other to a certain degree. While all of these groups continue to publicly demand land reform, none of them really believes that this is a realistic goal under current circumstances. What their demands essentially boil down to, Torres asserted, is getting Colom's government to deliver on previous agreements that it made to provide debt relief.

17. (SBU) Torres said the various peasant groups ideally would like the government to provide them with grants to help them pay the banks what they owe. He noted that the government does not have the authority or budget to do this, so the best the peasant groups can expect is to receive loans on very favorable terms (that is, at very low interest rates). Torres alleged that money is available for this purpose and that the Ministry of Agriculture has only spent 41% of its budget for this year. Other peasant demands - such as nationalizing electrical power and cancelling existing mining licenses - are probably not hard demands but rather bargaining chips to get debt relief. In a separate conversation with the Ambassador, Torres noted several times that the government had severe problems with carrying out agreements; this included actions for which no funding was required, or for which funding was available.

18. (SBU) Comment: The worldwide economic downturn, falling remittances, and the country's recent severe drought have been particularly hard on Guatemala's peasant farmers, many of whom were already in debt before these developments. Following the peace accords in 1996, the government helped peasant collectives throughout the country buy land, usually by putting up to half of the money. The peasant collectives were then supposed to pay off the rest of the purchase price over time but many have fallen behind in their payments.

19. (SBU) While Guatemala's various peasant and indigenous groups lack a central coordinating body and common platform, they do share many of the same demands, including helping rural farmers with debt relief. Two years into Colom's administration, the leaders of these groups are under pressure from their own constituency to get the government to deliver on its promises. Adding to this pressure

may be the realization that the next government may be even less amenable to negotiation than Colom's. To date, only one principal demand has been met: On October 29, the International Commission Against Impunity in Guatemala (CICIG) announced that it intended to investigate the deaths of twenty union and peasant leaders in Guatemala since 2007. While this is a significant development, it is unlikely to be enough to dissuade peasant and indigenous groups from orchestrating future protests such as those that occurred this October. End Comment.

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